

Minutes of Water Advisory Committee
For Meeting of April 8, 2002

Attendees: Joe Gaffney, City of Rohnert Park
Jake MacKenzie, City of Rohnert Park
Toni Bertolero, City of Cotati
Dale Shaddox, City of Cotati
Jim Downey, Penngrove & Kenwood Water Co.
Matt Mullan, Town of Windsor
Pam Nicolai, Marin Municipal Water District
Jack Gibson, Marin Municipal Water District
Steve Phelps, Marin Municipal Water District
Ron Theisen, Marin Municipal Water District
Al Bandur, City of Sonoma
George Roberts, Forestville Water District
Tom Hargis, City of Petaluma
Pam Torliatt, City of Petaluma
Steve Simmons, City of Petaluma
Mike Ban, City of Petaluma
Pam Jeane, Sonoma County Water Agency
Randy Poole, Sonoma County Water Agency
Krishna Kumar, Sonoma County Water Agency
Chris DeGabriele, North Marin Water District
Syed Rizvi, North Marin Water District
Virginia Porter, City of Santa Rosa
Miles Ferris, City of Santa Rosa
Mike Martini, City of Santa Rosa
Jane Bender, City of Santa Rosa
Dell Tredinnick, City of Santa Rosa
Dave Pinsky, City of Santa Rosa
Mark Bramfitt, Valley of the Moon Water District
John Nelson, Water Resources Management

Public Attendees: Terrence Garvey
Ann Maurice, Ad Hoc Committee for Conservation
Bob Anderson, United Winegrowers
Jo Timmsen, Tell the Truth
Don McEnhill, League of Women Voters
Gerry Nakano, West Yost & Associates
Geoff Cartwright
Brenda Adelman, RRWPC

A. Call to Order

Miles Ferris, City of Santa Rosa, called the meeting to order at 8:30 a.m.

B. Introductions

The attendees made introductions.

C. Approval of March 4, 2002 Minutes

Tom Hargis, City of Petaluma, requested a change in the minutes. On page 3, the last paragraph under the section "Request SCWA compile MOU Table 1 Compliance Report by each Signatory," the following sentences were added on: "Tom Hargis, City of Petaluma, asked Mr. Poole if the MOU for impaired water supply required that each agency produce the amount committed to. Mr. Poole replied that it did not." Mike Martini, City of Santa Rosa, motioned to pass the minutes, and Pam Torliatt, City of Petaluma, seconded. The minutes were passed with the correction.

D. Public Comment

Geoff Cartwright requested to hold his comments until the Water Policy Statement was reviewed.

E. Review of February 4th Minutes

Randy Poole, SCWA, requested that a letter he wrote to the contractors be included with the February Minutes. It was decided to add the letter be added to the minutes.

F. Review Draft Sonoma County Water Agency Water Policy Statement

Mr. Ferris reported that members of the WAC had met with the Board of Supervisors. Mr. Ferris praised the Agency Board for their efforts. He stated that the WAC had concerns about the policy. The WAC asked for 90 days to review and comment on the draft water policy statement and was given 60 days by the Board of Supervisors.

Ms. Torliatt said the WAC policy subcommittee drafted a letter, which Mr. Ferris presented to the Board. She said that much of the committee's time had been taken up with discussing how broad or detailed the letter should be.

Ms. Maurice talked about fisheries issues she was concerned with, including electroshock as a method of counting fish and restoration efforts.

Mr. Cartwright suggested interim study districts as a tool to get a handle on the situation of development exceeding supply.

The policy subcommittee will meet on April 22. Recommendations from the subcommittee will be brought to the full WAC on May 6, and then forwarded to contractor Boards and Councils. The SCWA has requested comments on the water policy by May 31.

G. Approval of Fourth Workshop Date and Place May 23, 2002 in Novato, CA

Mr. Ferris stated his belief that another workshop is necessary to “close the loop with the public on comments they’ve provided. There was much discussion on this topic, as other WAC members believed that the public has a broad range of views and it will not be possible to “close the loop.” Mr. Nelson felt that enough public input had been gathered. Pam Nicolai, Marin Municipal Water District, said details of public opinion can be retrieved from transcripts of other workshops.

There was discussion concerning the timing of the next workshop regarding the date that the comments had to be given to the Agency Board. Some contractors felt it would be better to have the workshop before the contractors met with their Boards and Councils. Others favored condensing the public comments into an issues document and taking it back to the public for comment. Some felt that enough information had been gathered and further clarification was not possible, given the range of opinions.

Toni Bertolero, City of Cotati, said it may be helpful to take the list of 56 and decide what the appropriate action is to deal with each of the items, such as incorporate into county water policy, incorporate into general plan or use a method of dealing with issues.

Action on this item was deferred to address the list of 56.

H. Discussion of 56 Possible Responses and Additions

Mr. Nelson went through the contents of the blue binders that had been passed out to the contractors as they came in. There were handouts available with all the pertinent information for the public.

Mr. Nelson directed the attendees to the letter that was sent on April 5, 2002 which summarized input on issues to date from the water contractors went through the seven items under “Major Issue Areas Identified by SCWA in March 2002 Draft Water Policy Statement.” He then lead the committee through the rest of the letter which contained comments about the following issues: Conservation, Environmental Impact and Mitigation, Watershed Management, Water Supply, Recycled Water, Agreement Governance, Financing and Cost Allocations, General Plan Relationships, Ground Water/Gravel Mining, Water Quality, Transmission Project Design and Scheduling and Communications. He informed the committee that the starred items were suggested by more than one contractor. He also told the committee that these were his interpretations of the comments from the contractors.

Brenda Adelman, RRWPC, said it was very shortsighted to look at groundwater as an added source of water. She suggested that ways to recharge groundwater aquifers be researched.

Ms. Maurice said she supported the “Slow the Flow” and “Cash for Grass” programs. She asked about the contractors water use per capita, and Mr. Nelson said he could supply an estimate of that.

Mr. Cartwright said it wasn’t smart to build on recharge areas. Terrence Garvey said to look at the precursory maps showing recharge areas, as most were under the city of Santa Rosa.

Commencing with item a. Conservation, Ms. Nicolai said Marin Municipal Water District is in favor of very aggressive incentives, disincentives and tiered rates. Mr. Martini said that the Santa Rosa City Council favored incentives for water conservation with an emphasis on recycled water projects, did not favor reduction of entitlement and was unclear about who was represented under the term "stakeholders." There was some discussion of who the stakeholders were and Mr. Nelson suggested that the WAC decide. Ms. Maurice passed out samples of the City of Santa Rosa's water conservation seed packets and calendars.

Mr. Martini said that the Santa Rosa City Council members wanted a statement having to do with how watershed management affects quality and supply in the new agreement.

Regarding item b. Watershed Management, Ms. Nicolai said time needed to be spent discussing the fair share of watershed costs issue, and regarding recycled water, what the Agency's share of the costs should be and how the costs are going to be assigned. Mr. Ferris agreed that a definition needed to be set, as millions of dollars are at stake. Mr. Nelson said currently the agreement provides for monies from Marin Municipal and North Marin through in lieu tax payments, set equal to tax paid by all Sonoma County water customers, for watershed and other items. He asked what the Agency views the watershed costs as being. Ms. Torliatt asked how much was being generated by the in lieu taxes. Mr. Kumar said that roughly 2 million dollars is generated per year. Mr. Poole said that that money goes to fund the Warm Springs Dam project and Russian River projects. The annual debt is currently 3 million for these projects and is expected to rise to 6 million dollars. Ms. Torliatt asked how the difference would be made up. Mr. DeGabriele said the Agency has the authority to set the tax rate for Warm Springs. Ms. Nicolai asked for more specific budget categories.

Ms. Adelman said it is important to look at policies that protect the watershed that could be implemented, or existing policies that could be enforced.

Ms. Torliatt said there is a level of water rates that people can pay and above that, people just won't be able to pay. She was concerned that rates could be out of control. Ms. Nicolai said there should be a cap on ratepayers and other users are creating an impact on the river and the environment of that river, and there should be a mechanism developed for them to pay their fair share. She said the Agency bears the brunt of those costs. She said that Sonoma County policy makers make decisions on uses in the watershed, don't look at the impacts, and then pass the cost of fixing the watershed on to the Agency under the guise of water quality or water supply. This is where the conflict of interest comes with the County and the Agency being the same body as the land use policies made by the Board of Supervisors can conflict with the policies of the Agency.

Mr. DeGabriele said North Marin felt the same way, that all of the beneficial uses of the watershed be included in the mix, as well as other land use activities that have an effect on the water. He said that it is a complicated methodology to develop, but worth the time. North Marin has tried to monitor the Agency's Russian River projects fund allocation in order to pay a fair share. Ms. Nicolai said that the WAC should take a more aggressive role in recommending policies that relate to other issues that are impacting the watershed.

Mr. Martini said that the biggest impact is agriculture, but with existing state law in terms of riparian rights, how do you mitigate impacts to the watershed if there is a right

to take water from the river. Mr. Poole said there is a host of issues, and referred the committee to the Section 7 process. Ms. Nicolai asked for a definition of fair share, and Mr. Poole said National Fisheries would define it for us. Ms. Torliatt said that if there are costs associated with Section 7, it doesn't mean that the WAC is the responsible for paying for all of it. Mr. Poole said it only covers the SCWA. Mr. Martini said there are benefits around land use issues, and that the benefits may offset the fair share costs. Ms. Torliatt said she wanted to know what the fair share is based on all of the benefits and detriments, and then a policy can be made in public.

Concerning items c and d on the letter, regarding Water Supply, Mr. Martini said the City of Santa Rosa said that the contractors need to have input into the sale of surplus water, and more information about the adding of prime contractors. Mr. DeGabriele said beneficiaries of Eel River diversion need to participate in any continuation of the Potter Valley Project.

Ms. Torliatt said the City of Petaluma thought it was important that if local supply was not going to be counted against the contractors, that we know that those contractors aren't relying heavily on those supplies that will actually reduce the water levels in those areas. Mr. Nelson said in the existing 11th Amended Agreement, in normal times local supply doesn't affect delivery of entitlement, and in times of shortage, everyone shares the same pain. He said he was hearing that contractors don't want that policy anymore. He said that under the MOU, local supply is taken into account and has been deducted by the allocation made available during the summer months.

Al Bandur said in Sonoma, groundwater is developed as emergency standby and should not be a disincentive in shortage times. Mr. DeGabriele said that L/R/T2 financing is there to help pay for projects. Mr. Bandur said that local supply should be mandated. Mr. Nelson said the new agreement can have a provision to compensate for local supply. Ms. Nicolai said that customers will be unappreciative if they have put forth efforts to conserve and then are treated the same as water wasters.

Mr. Mullan said there are two areas to deal with regarding supply, one is emergency shortage, for example, the river is contaminated and water cannot be provided and the other is managing peak demand throughout the Agency service area. These two scenarios need to be looked at separately, as far as how to appropriate allocations because it is reminiscent of the last twenty years of asking people to conserve their water supply, you don't raise enough money because they do, and you have to raise rates. Mr. Hargis said that Petaluma wants to be recorded as one of the contractors who is requesting a review of the local supply issue. Mr. Martini said the City of Santa Rosa agrees that a contractor should not be penalized after working diligently for more effective use of water.

Jim Downey, Penngrove & Kenwood Water Co., said Penngrove is totally reliant on aqueduct as groundwater wells are dropping, and there would be an increasing need for supply from Kenwood & Penngrove and other smaller contractors. Mr. Poole said the only thing that was changeable under the 11th Amended Agreement is annual entitlements. Ms. Torliatt asked for clarification regarding the 2.7 million gallons per day allowed for "other customers" including Penngrove and Windsor. Mr. Poole said that estimate looked short, but was unsure how short. Mr. Downey said during peak periods, a half million gallons of water are used per day, and while this is not a problem now, he can anticipate that it will be. He wanted to know if it would be possible to increase

entitlements to smaller contractors. Mr. Poole said he did not anticipate being able to increase entitlements, and said that would have to be looked at in the future.

Ms. Adelman said that some of the water savings accrued is then turned around and used for growth, which brings money into the system. She said she is not sure how issues of determining growth are being looked at. Mr. Ferris explained that the entitlement was set by looking at the general plan, which gave you a number and then applying a negative, which was your aggressive water conservation plan. The bottom line is the entitlement. The entitlement assumes aggressive water conservation, and if you don't have an aggressive plan, you will exceed entitlement. Ms. Adelman asked if the new numbers were based on the contractors' general plans or new capacity. Mr. Poole said we are not looking at new capacity.

On item e. Recycled Water, Mr. Bandur said for the purpose of zero discharge, the costs should be distributed to the sanitation districts as well, not the water rate - payers. Ms. Nicolai said there are many issues relating to the dischargers and users of recycled water. She advocated for a regional approach to recycled water projects, as it is difficult for one agency to make a recycled water project cost effective. Mr. Mullan agreed with Ms. Nicolai in terms of a regional approach to recycled water projects. Ms. Bertolero said Cotati supported cost-effective recycling projects but didn't see the benefits from the L/R/T2 for Cotati. She said when paying out of the L/R/T2 fund, the committee needed to be sensitive to costs for all agencies.

Mr. Nelson said the L/R/t2 approach to a solution to meet regional needs is to have funds available to enable those agencies that have projects. He said there are mechanisms to work out. Ms. Torliatt said that Petaluma did not choose to participate in the recycled water program because they have a 7 million dollar recycled water pipeline that will be put in place in the next two or three years, and therefore, they need the money that their rate payers are putting forward at that time.

Regarding item e. Agreement Governance, Mr. Nelson described the water contractors comments to date, namely a two-tier WAC be established with a policy advisory committee and a technical advisory committee. He said that members of the Board could be invited to sit in on the policy meeting. Mr. Poole said Board had not considered that option. Ms. Nicolai said the WAC needed to clarify its relationship with the SCWA and proposed a JPA be formed. Mr. Martini said there were two reasons to go in the direction of a two-tier WAC, the first being because the water agency has many responsibilities and we would want to separate them out. The other reason is that we don't think the Agency is doing enough for the overall watershed, and we want to be involved in land use and other stakeholder issues. He asked what changes would be made by having a joint powers arrangement. Ms. Nicolai said it would change the dynamic so that the WAC isn't one entity negotiating with the Agency, it would give the WAC more functional participation in the decision making process. A JPA would have it's own ability to hire consultants, and not be reliant on the SCWA. Mr. Poole said his Agency opposes a JPA approach. Mr. Martini said he had a couple of objections to a JPA. His first was he didn't see a lack of influence by the WAC with the SCWA. He said that he didn't see the adversarial role between the WAC and the SCWA. Ms. Nicolai said that the focus of the New Agreement is not going to be the list of projects and their costs, it's going to be how decisions are made in the future. It's going to be different than in the past, and more of a participatory role of the member agency on the

water policies. Mr. Martini said he didn't see a need to change the relationship between the SCWA and the WAC. Mr. Nelson said the idea of a JPA is a major change. He said that the concept of a two-tier WAC is within the agreement guidelines. Regarding a JPA, Mr. Martini said why consider it if the Agency won't permit it? Ms. Torliatt said at a minimum, they were asking for policy members to have direct communication instead of having technical people and policy makers asking the Board to do certain things. Ms. Bertolero said the city of Cotati supports a two-tier WAC. Mr. Ferris said the a JPA type model is in place in for city of San Fransisco water users and it has not been a very good communication device. In other areas, like Sacramento, it has worked pretty well. He suggested more information from sources that are familiar with the model could be obtained.

Regarding item g and on, Mr. Martini asked if under the L/R/T2 it is the recommendation that the funding would not come from the SCWA, but that each contractor would fund their own programs. Mr. DeGabriele said it was his recommendation that each contractor participate in the funding of each project. Mr. DeGabriele said we're committed to a 13 million dollar project over 10 years, but that it could be much bigger, and if it is some contractors may not choose to participate, and they should be given that opportunity.

Ms. Torliatt asked if there is an increase in allocations for any contractor, it may cost more for those, than for the original allocations that people have invested in the agreement at the beginning. She used the example of Petaluma being allotted 21 million gallons per day and then asking for 4 million more, but the environmental or financial impact to produce that water would be at a premium cost because it's being taken out of a different source where there are additional costs associated. Mr. Nelson said flow rate entitlements are fixed. Higher entitlements would have to be negotiated in the new agreement and would require an EIR.

Mr. Theisen said he had spoken to Mr. Ferris several years ago about a sub-regional approach, and how you could set up a flexible structure under which you could go forward and then interested parties would pay for all the costs. He said the agreement needs more of a flexible structure than to say here are the projects for the next eight years and build an agreement around that.

Mr. Ferris said clearly water quality is changing because they are adding 13 new constituents per year to what has to be monitored. Mr. DeGabriele said it was the suggestion of North Marin that the language be strengthened to address water quality from the perspective of water monitoring. Mr. Martini said the Santa Rosa City Council wanted to include a statement about continuing good quality.

Ms. Torliatt asked, regarding amendment 11, what the responsibility of the contractors is concerning the Potter Valley project. Mr. Ferris said the Agency has to come to the contractors for approval if they want to buy the project.

It was decided that the ad-hoc subcommittee, formed to drafting comments on the Agency's water Policy would meet April 22 at the Petaluma Community Center and take on the added task of drafting the WAC's issue list and that these would be reviewed by the full WAC at it's next regular meeting. The final list would be made available for discussion with the public at the May 23 workshop to be held in Novato. Mr. Nelson said he would draft this framework issues list.

I. Other Business

There was no other business.

J. Items for Next Agenda

There were no items for the next agenda.

K. Adjourn

The meeting was adjourned at 12:00.

DISTRIBUTION:

Brenda Adelman, RRWPC
Bob Anderson, United Winegrowers
Joyce Arnold, North Marin Water District
Mike Ban, City of Petaluma
Al Bandur, City of Sonoma
Jane Bender, City of Santa Rosa
Paul Berlant, Town of Windsor
Toni Bertolero, City of Cotati
Jo Timmsen, Tell the Truth
Janice Cader-Thompson, City of Petaluma
Geoff Cartwright
Gail Chavez, City of Santa Rosa
Colin Close, City of Santa Rosa
Chris DeGabriele, North Marin Water District
Jim Downey, Penngrove/Kenwood Water
Noreen Evans, City of Santa Rosa
Miles Ferris, City of Santa Rosa
Jim Flugum, City of Healdsburg
Joe Gaffney, City of Rohnert Park
Jack Gibson, Marin Municipal Water District
Tom Hargis, City of Petaluma
Lee Harry, Valley of the Moon Water District
Pam Jeane, Sonoma County Water Agency
David Keller
Ruth Langridge
Rose Leppert
Robert Brownwood, California Dept. Health Services
Kiergan Pegg, Sonoma County Water Agency
Eve Perezselsky, Sonoma County Water Agency
Krishna Kumar, Sonoma County Water Agency
Ellen Dowling, Sonoma County Water Agency
Tim Anderson, Sonoma County Water Agency

Jake Mackenzie, City of Rohnert Park
Caroline Marker, City of Healdsburg
Mike Martini, City of Santa Rosa
Bill Massey, Forestville Water District
Matt Mullan, Town of Windsor
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Dell Tredinnick, City of Santa Rosa
John Wanger, City of Cloverdale
Renee Webber, Sonoma County Water Agency
Dave Willer, Valley of the Moon Water District
Michael Burgess, California Dept of Health Services
Diane Lesko, City of Santa Rosa
Pam Nicolai, Marin Municipal Water District
Jay Jasperse, Sonoma County Water Agency
Armando Flores, City of Rohnert Park

